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United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP

WASHINGTON, DC 20510-6350

June 18, 2003

BY FACSIMILE
ORIGINAL BY U.S. MAIL

The Honorable Mark Everson
Commissioner
Internal Revenue Service
1111 Constitution Avenue NW
Washington, DC 20224

Ms. Dale Hart
Commissioner
Small Business/Self-Employed Division
Internal Revenue Service
1111 Constitution Avenue NW
Washington, DC 20224

Dear Commissioners Everson and Hart:

At our request, the General Accounting Office (GAO) has completed a review of the Workforce Planning initiative within the Taxpayer Education and Communication Unit (TEC) of the Internal Revenue Service (IRS). We requested this study to determine whether the IRS has begun to develop a strategic workforce plan for TEC that incorporates the critical elements that should be in a typical workforce plan and to determine how the IRS should proceed with the plan's development. It is imperative that the IRS institute this workforce plan so that TEC is able to assist in the most professional manner possible the nearly 45 million small business and self-employed taxpayers who rely on its services.

This report, entitled "Workforce Planning Needs Further Development for IRS's Taxpayer Education and Communication Unit" (GAO-03-711), concludes that while both the IRS and SB/SE division have begun to develop this strategic workforce plan, TEC, since its inception in October 2000, has operated with a short-term staffing plan that does not meet the critical elements for what a strategic workforce plan should include. Despite the steps the IRS and SB/SE division are taking toward developing this strategic workforce plan, questions remain about how the IRS should best develop and implement the plan's critical elements.

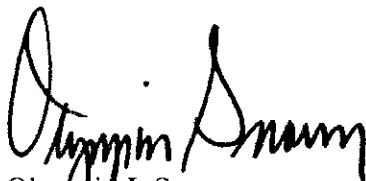
While we commend both you and the IRS for recognizing the need to develop and institute a strategic workforce plan for TEC, we stress the importance of accomplishing this initiative in a timely manner. Absent a workforce plan, there is simply no assurance that TEC will operate in the most efficient manner possible, which in turn adversely affects the taxpayers who rely on its services and detracts from the other positive steps that the IRS has taken toward improving customer relations.

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Accordingly, we encourage you to implement the GAO recommendations concerning the elements that a proper strategic workforce plan should include, such as devising a strategic direction for TEC that involves management and employees, conducting a workforce gap analysis, creating workforce strategies to fill any existing resource gaps, and evaluating and revising any current and older strategies. By incorporating these elements into the plan's implementation, the IRS and SB/SE division will reaffirm to all taxpayers that it is committed to operating in the most efficient manner possible.

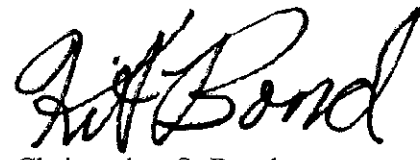
To ensure that the IRS and SB/SE implement fully a strategic workforce plan that incorporates the GAO recommendations, please provide us with an initial report that details the development of the plan's progress. Specifically, this report should include milestones for implementation of the plan's specific elements, paying particular attention to the GAO recommendations. We would appreciate receiving this report no later than July 15, 2003. Additionally, we would also appreciate your providing periodic updates to our staffs. These status reports will help to ensure that the IRS will complete a final workforce plan for TEC by October 31, 2003.

Thank you for addressing this important issue. If you have any questions or would like to discuss this matter in greater detail, please do not hesitate to contact us or have your staff contact Fred Hartman, Tax Counsel for the Committee on Small Business, at 202/224-5175.



Olympia J. Snowe
Chair

Sincerely,



Christopher S. Bond